



United States Government Accountability Office  
Washington, DC 20548

---

February 28, 2007

The Honorable Richard G. Lugar  
Ranking Minority Member  
Committee on Foreign Relations  
United States Senate

Subject: *Section 1206 Security Assistance Program—Findings on Criteria, Coordination, and Implementation*

Dear Senator Lugar:

Section 1206 of the National Defense Authorization Act of 2006 established a new program that gives the Department of Defense (DOD) the authority to spend up to \$200 million of its own appropriations to train and equip foreign militaries to undertake counterterrorism or stability operations.<sup>1</sup> Department of State (State) and DOD officials have cited the importance of this program in building capacity among partner nations to help fight the global war on terror. Moreover, they believe that compared with traditional security assistance programs funded by State, Section 1206 assistance will provide greater flexibility to respond quickly to emerging threats and opportunities. However, some believe that such a program should be funded in the foreign affairs budget, which is administered by State, to ensure that the Secretary of State has the authority to manage foreign policy decisions and bilateral relationships.

To address your questions about the new Section 1206 security assistance program, we examined (1) what criteria State and DOD use to select recipient countries and types of assistance, (2) how State and DOD coordinate the formulation and approval of Section 1206 programs, and (3) how State and DOD implement Section 1206 programs. As part of our audit work, we interviewed State and DOD headquarters officials involved in the Section 1206 program and officials involved in formulating fiscal year 2006 proposals at embassies and combatant commands. We also reviewed the program's authorizing legislation and State and DOD guidance. We briefed your staff on our findings on December 14, 2006. See Enclosure I for a copy of the briefing slides, which we have updated based on technical comments provided by DOD and State.

## Background

Section 1206 of the National Defense Authorization Act of 2006 authorizes DOD to provide equipment, supplies, or training to a foreign country to build its capacity to

---

<sup>1</sup>National Defense Authorization Act of 2006, Pub. L. No. 109-163, § 1206. 119 Stat. 3136, 3456-58 (2006).

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE <b>28 FEB 2007</b>		2. REPORT TYPE		3. DATES COVERED <b>00-00-2007 to 00-00-2007</b>	
4. TITLE AND SUBTITLE <b>Section 1206 Security Assistance Program - Findings on Criteria, Coordination, and Implementation</b>				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>U.S. Government Accountability Office, 441 G Street NW, Washington, DC, 20548</b>				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT <b>Same as Report (SAR)</b>	18. NUMBER OF PAGES <b>27</b>	19a. NAME OF RESPONSIBLE PERSON
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>			

(1) conduct counterterrorism operations or (2) participate in or support stability operations in which the U.S. military also participates.<sup>2</sup> The law limits the provision of assistance to a foreign country's national military forces,<sup>3</sup> which State and DOD have interpreted to mean units under the ministry of defense, not interior. The law also states that no country may receive Section 1206 assistance if it is prohibited from receiving similar assistance under other laws.<sup>4</sup> Further, the Secretary of Defense, in coordination with the Secretary of State, must notify Congress no less than 15 days before initiating activities in any country.<sup>5</sup> Additionally, State and DOD must jointly formulate all projects and coordinate their implementation.<sup>6</sup>

The National Defense Authorization Act of 2007 increased the annual funding authority from \$200 million to \$300 million and extended the program for an additional year until the end of fiscal year 2008.<sup>7</sup> It also delegated approval authority from the President to the Secretary of Defense, with Secretary of State concurrence.<sup>8</sup> State and DOD officials interpret the term "concurrence" to mean that the Secretary of State, along with the Secretary of Defense, must approve all projects.

In fiscal year 2006--the first year of the Section 1206 program--DOD and State approved a total of about \$100 million for nine projects involving 15 countries (see encl. II for a description of the projects and a list of the participating countries).<sup>9</sup> This assistance was used primarily for equipment to improve the counterterrorism capabilities of recipient countries. For some countries, Section 1206 assistance represented a significant dollar increase in fiscal year 2006 over U.S. security assistance provided through the traditional State-funded programs.<sup>10</sup> DOD's Defense Security Cooperation Agency (DSCA) directs, administers, and supervises the execution of all security assistance programs, including Section 1206 assistance.

## Summary

State and DOD select Section 1206 projects based on criteria established in the authorizing legislation and departmental guidance to combatant commands and embassies. State and DOD reviewers stated that they examine all proposals to ensure that no country participates in a Section 1206 project if it is ineligible to receive security assistance under other U.S. laws. Reviewers also stated that they reject proposals involving assistance to units under the authority of the ministry of interior rather than the ministry of defense. State and DOD guidance requires embassies and

---

<sup>2</sup>§ 1206.

<sup>3</sup>*Id.*

<sup>4</sup>*Id.*

<sup>5</sup>*Id.*

<sup>6</sup>*Id.*

<sup>7</sup>John Warner National Defense Authorization Act of 2007, Pub. L. No. 109-364, 120 Stat. 2083, 2418 (2006).

<sup>8</sup>*Id.*

<sup>9</sup>The Section 1206 project involving Thailand was canceled, and other security assistance programs were suspended, following the September 19, 2006, coup d'etat in that country.

<sup>10</sup>State-funded security assistance programs include the Foreign Military Financing (FMF) program, which provides grants and loans to foreign governments for the acquisition of U.S. defense equipment, services, and training, and the International Military Education and Training (IMET) program, which provides training to foreign military and related civilian personnel.

combatant commands to explain how their proposals support U.S. national security objectives and address urgent or emerging threats or opportunities. Proposals also must explain whether other sources of funds are available and how the project will be sustained in future years. Additionally, in considering proposals involving their host country, the embassy country team and ambassador typically weigh such factors as compatibility of the proposed project with U.S. foreign policy goals and the partner country's willingness to participate in the project and ability to absorb the assistance.

State and DOD have developed a coordinated process for jointly reviewing and selecting proposals for Section 1206 projects; however, coordination in formulating proposals did not occur consistently between combatant commands and embassy country teams. Once project proposals are received from combatant commands and embassies, several State and DOD offices or bureaus examine all proposals and then meet to jointly decide which ones they recommend for funding. A final list of projects is presented concurrently to the Secretaries of Defense and State for their approval. DOD fiscal year 2007 guidance to combatant commands specifies that programs must be developed jointly with embassy country teams and that ambassadors should have full knowledge of proposed projects from their inception. However, we found that for projects funded in fiscal year 2006 prior to the issuance of formal guidance, this coordination occurred in only 5 of 14 instances before proposals were submitted for joint DOD and State review.<sup>11</sup> In 9 of the 14 instances, coordination efforts took place before the departments notified Congress about the proposals. Ultimately, no project would be implemented without the support of the ambassador, according to State and DOD officials. The combatant commands and embassies we contacted reported better coordination in the formulation of fiscal year 2007 proposals. They attributed this improvement to having more time to develop proposals and more explicit guidance from State and DOD.

DOD's DSCA and security assistance officers at embassies implement Section 1206 assistance using the same processes established for other traditional State-funded security assistance programs. For example, for each equipment transfer to a partner country, DSCA establishes the terms and conditions of the transfer and provides fiscal oversight. At the embassy, the security assistance officer is the primary point of contact to ensure delivery to and proper use by the recipient country. According to embassy and combatant command officials we contacted, DOD and State meet the requirement to coordinate implementation of Section 1206 projects through embassy-based security assistance officers, who report to both their combatant commanders and ambassadors.

---

<sup>11</sup>Although 15 countries were included in projects selected for funding in fiscal year 2006, Nigeria participated in two different projects, resulting in 16 instances in which coordination should have occurred. During the course of our work, we were unable to contact knowledgeable officials at two embassies. Consequently, we were only able to determine if coordination occurred in 14 instances.

## **Agency Comments**

We provided a draft of this report to the Departments of Defense and State, both of which provided technical comments that we incorporated as appropriate. In commenting on our draft, State and DOD agreed with our finding that their efforts to jointly formulate Section 1206 proposals improved for fiscal year 2007. They also stated that they expect continued improvement as they gain more experience with this program.

## **Scope and Methodology**

To answer our three research questions, we examined the nine Section 1206 projects selected for funding in fiscal year 2006. (See encl. II for a description of the projects and a list of the 15 participating countries.) We interviewed officials from combatant commands and U.S. embassies responsible for these projects and also interviewed State and DOD officials that participated in the joint review and implementation process. At DOD, we interviewed officials in the Office of the Secretary of Defense, the Joint Staff, the Defense Security Cooperation Agency, and the Office of General Counsel. At the State Department, we interviewed officials in the Bureau of Political-Military Affairs, regional bureaus, the Bureau of Legal Affairs, the Office of the Director of Foreign Assistance (F Bureau), and the Office of the Coordinator for Counterterrorism (S/CT). Lastly, we reviewed the National Defense Authorization Acts of 2006 and 2007 and consulted State and DOD guidance for submitting Section 1206 proposals. Although the Thailand project was canceled, we included it in our assessment of coordination between the embassies and the combatant commands.

We conducted our review from September 2006 to February 2007 in accordance with generally accepted auditing standards.

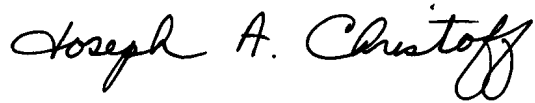
---

As agreed with your staff, unless you publicly announce the contents of this report earlier, we plan no further distribution until 5 days from the report date. At that time, we will send copies of this report to the Secretaries of Defense and State and interested congressional committees. We will also make copies available to others on request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions concerning this report, please contact me at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov). Contact points for our Offices of Congressional

Relations and Public Affairs may be found on the last page of this report. Key contributors to this report include Muriel Forster, Assistant Director; Lynn Cothorn; Howard Cott; Martin De Alteriis; Drew Lindsey; and Grace Lui.

Sincerely yours,

A handwritten signature in black ink that reads "Joseph A. Christoff". The signature is written in a cursive style with a large, stylized "C" at the end.

Joseph A. Christoff  
Director, International Affairs and Trade

Enclosures



---

## **Section 1206 Security Assistance**

---

### **Briefing for Senate Foreign Relations Committee Staff**

**December 14, 2006**



## Objectives and Methodology

### Objectives

- What criteria do State and DOD use to select recipient countries and types of assistance?
- How do State and DOD coordinate on formulation and approval of Section 1206 programs?
- How do State and DOD implement Section 1206 programs?

### Methodology

- Interviews with the 4 combatant commands (COCOMs) and 13 of the 15 U.S. embassies involved in projects selected for FY06 funding
- Interviews with State and DOD officials involved in the joint review and implementation process, including OSD, the Joint Staff, DSCA, OGC, State PM and regional bureaus, State Legal Advisor (L), the Office of the Director of Foreign Assistance (F), and the Office of the Coordinator for Counterterrorism (S/CT)
- Review of State and DOD guidance for submitting proposals





**Summary of Findings**

- Departments reported that decisions on proposals were based on criteria in law and guidance
- State and DOD have a coordinated process for reviewing and approving proposals
- Level of coordination between COCOMs and embassies to formulate proposals varied in FY06 and appears to have improved in FY07
- FY07 guidance emphasizes coordination between COCOMs and embassies
- 1206 programs will be implemented in the same manner as the Foreign Military Financing (FMF) program
- Implementation will be coordinated through Security Assistance Officers (SAOs) at embassies

## Enclosure I



### Background

Section 1206 of the FY06 National  
Defense Authorization Act

- Equipment, supplies, or training may be provided to a foreign country's national military forces to build capacity for counterterrorist operations or military/stability operations in which the U.S. military participates
- May not be used to provide assistance to any country otherwise prohibited from receiving such assistance under other laws
- DOD and State jointly formulate and coordinate on implementation
- Congressional notification is required not less than 15 days before initiating assistance in any country

---

4



**Background**

Changes in the FY07 Authorization

- Approval authority delegated to Secretary of Defense, with concurrence from Secretary of State
- Annual authorization increased from \$200 million to \$300 million
- Extended authority through FY08
- Source of funds broadened to DOD O & M (which includes all services' O & M funds)

## Enclosure I



### Background

#### Section 1206 FY06-Funded Programs

Section 1206 Project	Country	Combatant Command (COCOM)	Expected Equipment Delivery Completion Date	FY06 Section 1206 Funds Obligated	FY06 FMF Funding Estimate
Pakistan: Improving Counterterrorism Strike Capabilities	Pakistan	CENTCOM	September 2007	\$23,315,456	\$297,000,000
Yemen: Countering Cross-Border Terrorist Activity	Yemen	CENTCOM	June 2008	\$4,291,374	\$8,415,000
Lebanon: Reducing Hezbollah's Operational Space	Lebanon	CENTCOM	June 2008	\$10,489,390	\$990,000
Gulf of Guinea: Countering Threats to U.S. Energy Security	Nigeria Sao Tome & Principe	EUCOM	September 2007	\$6,800,000	\$990,000 \$0
Trans-Sahara African Countries: Securing the Region Against Terrorists	Morocco Algeria Senegal Nigeria Chad Tunisia	EUCOM	March 2007	\$6,200,000	\$12,375,000 \$0 \$495,000 \$990,000 \$0 \$8,415,000
Indonesia: Securing Strategic Sea Lanes	Indonesia	PACOM	August 2008	\$18,409,520	\$990,000
Sri Lanka: Reducing Ungoverned Maritime Spaces	Sri Lanka	PACOM	June 2007	\$10,883,283	\$990,000
Thailand: Securing Strategic Sea Lanes <sup>1</sup>	Thailand	PACOM	On hold	\$5,300,000	\$1,485,000
Caribbean Basin: Forward Defense of the U.S. Homeland	Dominican Republic Panama Operation Enduring Friendship <sup>2</sup>	SOUTHCOM	June 2007	\$14,406,267	\$941,000 \$990,000 \$3,960,000
<b>9 approved projects</b>	<b>15 countries</b>	<b>4 unified commands</b>	<b>N/A</b>	<b>\$100,095,290</b>	<b>\$338,036,000</b>

Source: GAO analysis of State and DOD agency data

<sup>1</sup> When the Thailand project was cancelled because of a coup, \$5.3 million had already been contracted for equipment. According to DSCA, the disposition of this equipment had not been determined as of 11/28/06.

<sup>2</sup> The Caribbean Basin 1206 Project supports Operation Enduring Friendship, which was first funded through FMF in FY06 and which provides support to countries in Central America and the Caribbean to combat transnational crime and terrorism.

## Enclosure I



### Background

Timeline for Project Submission and  
Approval in FY07

- 31 Jul           Tasking for proposal development
- 15 Oct           COCOMs and embassies submit proposals to DOD and State
- 13 & 20 Nov    Review Board meetings
- 15 Feb           SecDef approval with SecState concurrence
- 1 Mar           Begin oversight committee briefs; funding sources identified
- 15 Mar           LOAs complete
- 15 Apr           Congressional notification complete; contracting begins

---

7

## Enclosure I



### **Selection Criteria**

Legislation and State and DOD Guidance Provide Criteria  
for Selecting Programs

- Proposals assessed on whether legal criteria are met and whether they are executable by end of fiscal year
- Guidance interpreting the law states that assistance may only be for forces under authority of the ministry of defense
- Proposals assessed for linkage with objectives in DOD Security Cooperation Guidance and National Military Strategic Plan for War on Terrorism
- Programs should address time-sensitive, emerging threats or opportunities that cannot wait upon the normal budget process
- Proposals should explain how assistance would be sustained in future years

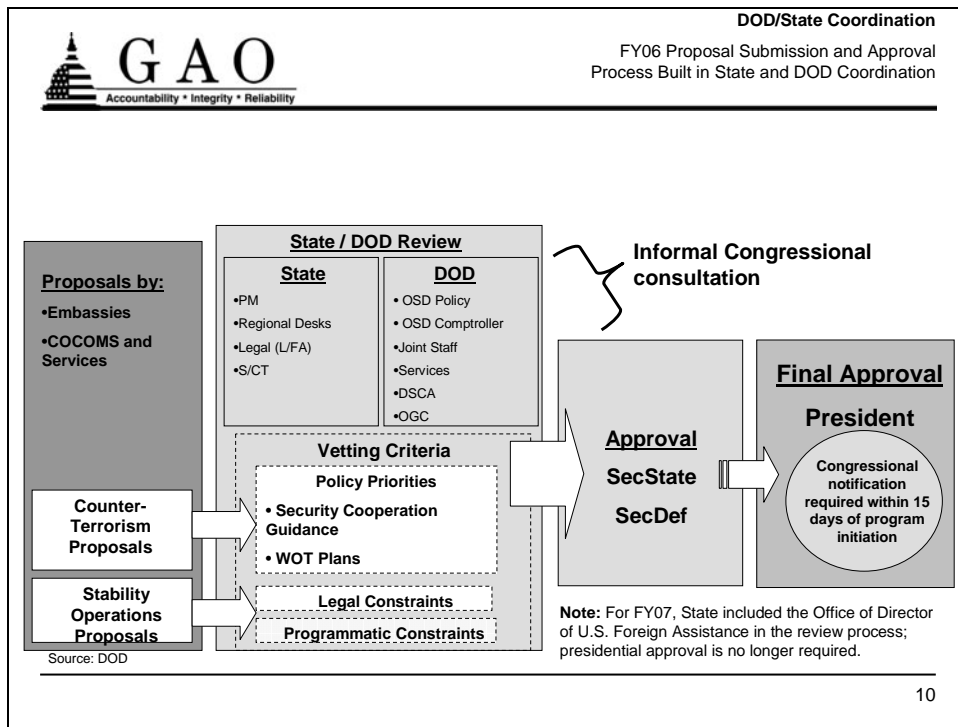
## Enclosure I



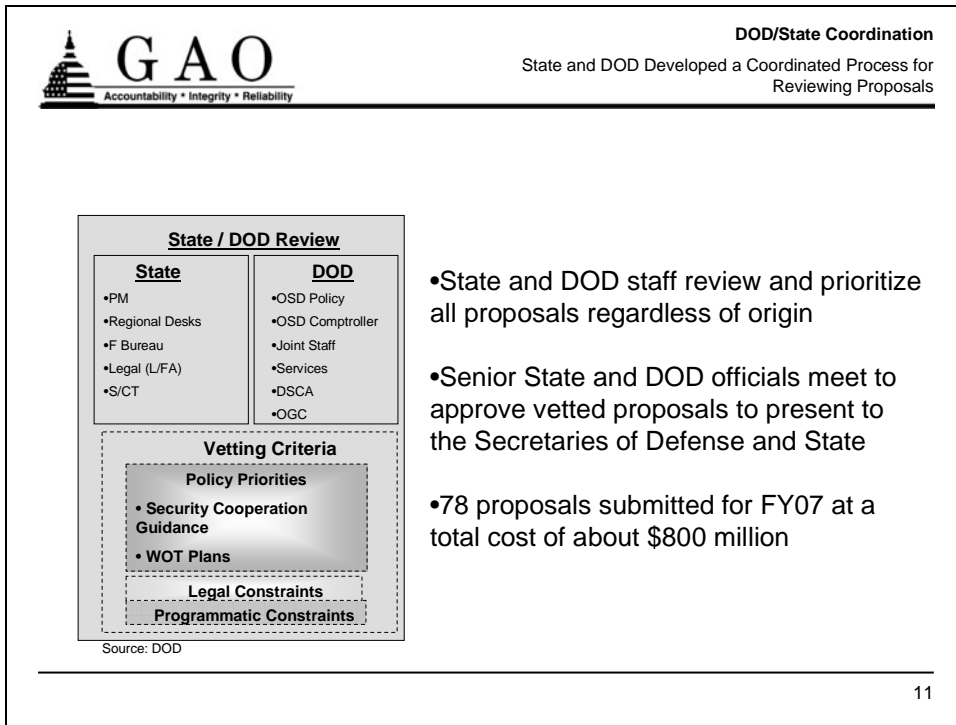
### Selection Criteria

Section 1206 Proposals Also Considered for Compatibility  
with other Assistance Projects and Foreign Policy Goals


- State Political-Military Affairs Bureau evaluates proposals in the context of other security assistance programs provided to each country (e.g., FMF, IMET)
- As of FY07, State's Office of Director of U.S. Foreign Assistance reviews proposals for compatibility with all other U.S. assistance in each country
- State regional bureaus prioritize proposals for the countries within their region and assess whether proposals are compatible with overall foreign policy for those countries
- Ambassadors consider whether proposals would be supported by partner countries and if proposals are consistent with embassies' strategic goals









# Enclosure I


		<b>DOD/State Coordination</b> Coordination Between COCOMs and Embassies Appears to Have Improved in FY07				
Country	FY06 Projects	Combatant Command (COCOM)	Proposal Origin (FY06)	Coordination Before Joint Review Process (FY06)	Coordination Before Notifying Congress (FY06)	Improved Coordination for FY07?
Lebanon	Reducing Hezbollah's Operational Space	CENTCOM	COCOM	YES	YES	YES
Pakistan	Improving Counterterrorism Strike Capabilities	CENTCOM	COCOM	YES	YES	YES
Yemen	Countering Cross-Border Terrorist Activity	CENTCOM	COCOM	YES	YES	MIXED
Algeria	Trans-Sahara African Countries: Securing the Region Against Terrorists	EUCOM	COCOM	NO	NO	NO
Chad	Trans-Sahara African Countries: Securing the Region Against Terrorists	EUCOM	COCOM	NO	NO	YES
Nigeria (1)	Trans-Sahara African Countries: Securing the Region Against Terrorists	EUCOM	COCOM	NO	NO	YES
Nigeria (2)	Countering Threats to U.S. Energy Security	EUCOM	COCOM	NO	YES	YES
Sao Tome & Principe	Countering Threats to U.S. Energy Security	EUCOM	COCOM	NO	YES	YES
Senegal	Trans-Sahara African Countries: Securing the Region Against Terrorists	EUCOM	COCOM	NO	NO	YES
Indonesia	Securing Strategic Sea Lanes	PACOM	COCOM	YES	YES	YES
Sri Lanka	Reducing Ungoverned Maritime Spaces	PACOM	COCOM	YES	YES	YES
Thailand	Securing Strategic Sea Lanes	PACOM	Embassy	NO	YES	No FY07 Proposal
Dominican Republic	Caribbean Basin: Forward Defense of the U.S. Homeland	SOUTHCOM	COCOM	NO	NO	YES
Panama	Caribbean Basin: Forward Defense of the U.S. Homeland	SOUTHCOM	COCOM	NO	YES	YES
Morocco	Trans-Sahara African Countries: Securing the Region Against Terrorists	EUCOM	COCOM	Embassy contact was unable to identify staff familiar with Section 1206 project		
Tunisia	Trans-Sahara African Countries: Securing the Region Against Terrorists	EUCOM	COCOM	No response from embassy		
15 countries (16 cases)	9 approved projects	4 COCOMs	15 COCOMs, 1 embassy	5 of 14 cases	9 of 14 cases	10 of 12 countries with FY07 proposals

Source: GAO analysis of State and DOD agency data


	
<p align="right"><b>DOD/State Coordination</b>          Coordination Between COCOMs and Embassies          Appears to Have Improved in FY07</p>	
<p align="center"><b>CENTCOM</b></p>	<p><b>Lebanon:</b> The SAO at the embassy developed FY06 and FY07 proposals with ambassador support before submission by CENTCOM for joint review.</p> <p><b>Pakistan:</b> The SAO at the embassy developed FY06 and FY07 proposals with ambassador support before submission by CENTCOM. The embassy also submitted the FY07 proposal through State Department channels.</p> <p><b>Yemen:</b> The SAO at the embassy developed the FY06 and FY07 proposals in coordination with the embassy pol-econ officer. The ambassador supported the proposals before CENTCOM submitted them for joint review.</p> <p>-- The Combined Joint Task Force-Horn of Africa in Djibouti developed a regional FY07 proposal involving Yemen. The embassy was not aware of this proposal until after submission by CENTCOM.</p> <p><b>CENTCOM</b> officials stated that, except for the regional proposal, SAOs at the embassies developed all FY07 proposals, which would ensure coordination with State since they are part of embassy country teams.</p>
<p align="right">13</p>	

	
<p align="right"><b>DOD/State Coordination</b>          Coordination Between COCOMs and Embassies          Appears to Have Improved in FY07</p>	
<p align="center"><b>EUCOM</b></p>	<ul style="list-style-type: none"> <li>•<b>Algeria:</b> EUCOM did not brief embassy staff on the FY06 Trans-Sahara proposal until September 27, 2006, at which point the embassy rejected Algeria's participation because of diplomatic concerns.</li> <li>•<b>Chad:</b> EUCOM did not brief embassy staff on the FY06 Trans-Sahara proposal until after it had been approved and funded. The SAO at the embassy voiced concerns about the proposal and is awaiting a status report from EUCOM.</li> <li>•<b>Nigeria (Gulf of Guinea):</b> The proposal resulted from an existing maritime security initiative, in which the Ambassador was involved. EUCOM briefed the ambassador on the 1206 proposal after submission.</li> <li>•<b>Nigeria (Trans-Sahara):</b> EUCOM did not brief embassy staff on the proposal until August 2006, and the embassy is awaiting an update from EUCOM.</li> <li>•<b>Sao Tome and Principe:</b> Embassy did not know about the Gulf of Guinea program involving Sao Tome and Principe until after EUCOM submitted the proposal for review. EUCOM briefed embassy about proposal in June 2006 and gained support from ambassador before congressional notification.</li> <li>•<b>Senegal:</b> EUCOM did not brief embassy staff on the Trans-Sahara proposal until October 2006, at which point the embassy cited concerns about the project's sustainability. The embassy is waiting to hear from EUCOM about how it will address these issues.</li> <li>•<b>EUCOM</b> officials stated that, for FY07, they provided documentation of coordination and evidence of ambassador support for all proposals, as instructed in FY07 guidance.</li> </ul> <p>...Embassy staff from Chad, Nigeria, Sao Tome and Principe, and Senegal said that EUCOM coordinated with the embassy prior to submitting FY07 proposals.</p>
<hr/> <p align="right">14</p>	

## Enclosure I

	<b>DOD/State Coordination</b> Coordination Between COCOMs and Embassies Appears to Have Improved in FY07
<b>PACOM</b>	<ul style="list-style-type: none"><li>•<b>Thailand:</b> The SAO and political officer worked together to develop the FY06 proposal within 24 hours. They briefed PACOM after they submitted the proposal through State Department channels.</li><li>•<b>Indonesia:</b> The SAO developed the FY06 proposal in coordination with the embassy's pol-mil officer and forwarded it to PACOM for submission with the ambassador's endorsement. The SAO kept the ambassador informed throughout the process.</li><li>•<b>Sri Lanka:</b> The SAO developed the FY06 proposal and submitted it to PACOM with the support of the ambassador. During the development of the proposal, the SAO briefed the ambassador and deputy chief of mission during weekly country team meetings.</li><li>•<b>PACOM</b> held a September 2006 planning meeting in Manila attended by SAOs and State pol-mil officers from several embassies to develop the regional proposal with support of embassies and PACOM before submission for joint review.</li><li>•All three embassies characterized coordination as effective in the development of an FY07 regional maritime security proposal.</li></ul>

15

	<p align="right"><b>DOD/State Coordination</b>          Coordination Between COCOMs and Embassies          Appears to Have Improved in FY07</p>
<p align="center"><b>SOUTHCOM</b></p>	<p>•<b>Dominican Republic:</b> The FY06 proposal involving the Dominican Republic provides funding for an existing maritime security initiative in the Caribbean known as "Enduring Friendship." The embassy supports Enduring Friendship but was not aware of the FY06 Section 1206 proposal to provide funding for it. SOUTHCOM briefed the embassy in September 2006, after congressional notification.</p> <p>•<b>Panama:</b> The FY06 proposal involving Panama provides funding for the Enduring Friendship maritime security initiative. The SAO and ambassador had prior knowledge of the Enduring Friendship initiative, but they did not learn of the FY06 1206 proposal related to this initiative until June. The embassy supported the project once they learned about it.</p> <p>•<b>SOUTHCOM:</b> SOUTHCOM tasked SAOs to oversee development of FY07 proposals and coordinate with embassy country teams to ensure that ambassadors supported proposals before submission.</p>

---

16



- COCOMs and embassies had more time to formulate proposals in FY07 (two months compared to one or two weeks in FY06)
- FY07 guidance and template for submitting proposals emphasized coordination between COCOMs and State entities in the field and asked for documentation of coordination

## Enclosure I



### Program Implementation

1206 Programs Will be Implemented in  
Same Manner as FMF Program

- DSCA will establish an FMS case for equipment to be provided as it would under the FMF program
  - DSCA uses unique 1206 code for fiscal tracking
  - SAOs at embassies will implement 1206 programs along with other security assistance programs
- Embassies will apply same human rights vetting procedures to 1206 as to other programs
- SAOs will coordinate implementation with embassy and COCOM
- No 1206-specific agency guidance on assessment
  - 1206 programs would likely be included in existing embassy and COCOM assessments of security goals





Concluding Observations

- State and DOD appear to have developed a coordinated process for reviewing and approving proposals
- Discussions with COCOMs and embassies indicated that coordination improved in FY07
- Poor coordination was more common for regional proposals
- Too soon for assessment of 1206 program's impact on security cooperation and foreign policy goals

**Section 1206 Fiscal Year 2006 Project Descriptions****(Dollars in millions)**

<b>Project name</b>	<b>Countries involved</b>	<b>Project description/Objectives</b>
Caribbean Basin: Forward Defense of the U.S. Homeland (\$14.4)	Dominican Republic, Panama	Provides interoperable communications and computers with training and technical support to establish a joint maritime command, control, and communications architecture to support counterterrorism operations.
Gulf of Guinea: Countering Threats to U.S. Energy Security (\$6.8)	Nigeria, Sao Tome and Principe	Establishes a Regional Maritime Awareness Capability through the use of commercially available equipment; promotes stability and enhances counterterrorism capabilities.
Indonesia: Securing Strategic Sea Lanes (\$18.4)	Indonesia	Assists in developing an Integrated Maritime Surveillance System to support maritime security in Indonesia, including the Malacca Strait, and facilitates counterterrorism operations.
Lebanon: Reducing Hezbollah's Operational Space (\$10.5)	Lebanon	Helps the Lebanese Armed Forces bolster the government of Lebanon's ability to exert control over its territory and reduce the operational space of militias such as Hezbollah.
Pakistan: Improving Counterterrorism Strike Capabilities (\$23.3)	Pakistan	Helps develop integrated rotary wing assets capable of expediting the receipt, analysis, and dissemination of intelligence. Facilitates the rapid planning and execution of Pakistani counterterrorist special operations raids in the Federally Administered Tribal Areas and border region to fight terrorists and anti-coalition militants.
Sri Lanka: Reducing Ungoverned Maritime Spaces (\$10.9)	Sri Lanka	Promotes the development of a Counterterrorism Maritime Security Capability.
Thailand: Securing Strategic Sea Lanes (\$5.3)	Thailand	Helps establish an intelligence fusion hub critically located on the Andaman Sea to support Royal Thai Navy operations and enhance counterterrorism capabilities. <sup>a</sup>
Trans-Sahara African Countries: Securing the Region Against Terrorists (\$6.2)	Algeria, Chad, Morocco, Nigeria, Senegal, Tunisia	Helps develop a secure multinational information sharing network to share and store information effectively. Enables countries to act on information that is essential to disrupt and attack terrorist networks, and conduct peace and security operations.
Yemen: Countering Cross-Border Terrorist Activity (\$4.3)	Yemen	Helps increase the capability of the Yemeni Armed Forces to prevent cross-border arms trafficking and helps suppress terrorist activity.

Source: DOD

<sup>a</sup>This project was canceled in September 2006 because of a coup in Thailand. When the project was canceled, \$5.3 million had already been contracted for equipment. According to the Defense Security Cooperation Agency, the disposition of this equipment had not been determined.

(320453)

---

---

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

---

---

## GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site ([www.gao.gov](http://www.gao.gov)). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to [www.gao.gov](http://www.gao.gov) and select "Subscribe to Updates."

---

## Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office  
441 G Street NW, Room LM  
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000  
TDD: (202) 512-2537  
Fax: (202) 512-6061

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: [www.gao.gov/fraudnet/fraudnet.htm](http://www.gao.gov/fraudnet/fraudnet.htm)

E-mail: [fraudnet@gao.gov](mailto:fraudnet@gao.gov)

Automated answering system: (800) 424-5454 or (202) 512-7470

---

## Congressional Relations

Gloria Jarmon, Managing Director, [JarmonG@gao.gov](mailto:JarmonG@gao.gov) (202) 512-4400  
U.S. Government Accountability Office, 441 G Street NW, Room 7125  
Washington, D.C. 20548

---

## Public Affairs

Paul Anderson, Managing Director, [AndersonP1@gao.gov](mailto:AndersonP1@gao.gov) (202) 512-4800  
U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, D.C. 20548